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DE RUEHRB #1719 3121332  
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R 081332Z NOV 07  
FM AMEMBASSY RABAT  
TO RUEHC/SECSTATE WASHDC 7728  
INFO RUEHEE/ARAB LEAGUE COLLECTIVE  
RUEHCL/AMCONSUL CASABLANCA 3660  
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS RABAT 001719

SIPDIS

SENSITIVE  
SIPDIS

DEPT FOR EEB, S/CT, INL, AND NEA/MAG

E.O. 12958: N/A

TAGS: [EFIN](#) [ETTC](#) [KCRM](#) [PTER](#) [KTFN](#) [MO](#)

SUBJECT: MOROCCO - FOLLOW-UP ON ILLICIT CASH COURIERS

REF: SECSTATE 152088

1. (SBU) The U.S. mission in Morocco continues to pursue the expansion and enhancement of counterterrorism (CT) cooperation with the GOM, which includes combating terrorism finance, cash couriers, and money laundering. Post's CT working group coordinates numerous CT related programs managed by the Export Control and Related Border Security (EXBS) program, INL, S/CT, DOD, FBI, and GRPO (among others). All seek to strengthen Morocco's ability to monitor and enforce its borders.

2. (SBU) Although the full extent of cash smuggling problem in Morocco is unknown, it is known to occur due to Morocco's narcotics trade, vast informal sector, and the large level of remittances from Moroccans living abroad. Since the Casablanca bombings of 2003, Morocco has taken a series of steps to address the problem, most notably the implementation of a comprehensive anti-money laundering (AML) bill in May 2007 and the establishment of a Financial Intelligence Unit (FIU), expected to become operational in Rabat in early 2008. The AML law draws heavily from recommendations made by the Financial Action Task Force (FATF), criminalizes cash smuggling, and provides the legal basis for the government to monitor, investigate, and prosecute illicit financial activity. Beginning with the law's enactment on May 15, all persons entering Morocco must declare cash amounts equal to or greater than 100,000 Dirhams (approximately USD 12,800). Maximum criminal penalties for cash smuggling include a prison sentence of 2-5 years and a fine of up to 5 times the confiscated amount. There is no requirement for declaring currency when exiting the country.

3. (SBU) Enforcement of the new law is the biggest issue. Our contacts at Moroccan Customs tell us there have been over 1,000 cash declarations exceeding 100,000 Dirhams made at Casablanca airport since the law's enactment. Although Moroccan Customs have discovered "numerous" instances of "hidden" cash at ports of entry, they tell us the vast majority have been under the 100,000 Dirham threshold. One notable exception was the seizure of 700,000 Euros at the border to the Spanish enclave of Ceuta in September, which has been forwarded for prosecution.

4. (SBU) Post continues to pursue a number of efforts to increase Moroccan capability to detect and seize illicit cash smuggling, and to support establishment of an FIU. In April 2007, Post arranged for 5 Central Bank officials to attend AML training at the Federal Deposit Insurance Corporation (FDIC), and in October 2007 over 60 Moroccan customs agents and border security officials attended a Bulk Cash Smuggling course in Rabat, presented by U.S. Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE). Upcoming programmed training also includes courses on

targeting and risk-assessment, designed to help Moroccan customs agents better detect smuggling.

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